

Chrono

7 May 1962

MEMORANDUM FOR: Dr. Herbert Scoville, Jr.

SUBJECT: Role of Comptroller - New Projects

Present Practices

TSD

25X1A9a TSD's R&D budget is submitted each year as part of their operational program. I am informed that this budget amounts to \$10.8 million in FY 1962. The description in the program of how this money is to be spent has in past years been quite limited and general. Once the operational program containing this item is approved, TSD has rarely returned during the year for further DCI approvals. There is a slightly unusual history involved. TSD has not often organized its procurement programs into projects with cryptonyms. On the rare occasion when they have done so, [REDACTED] has applied a \$100,000 limit as the amount that can be approved by the DD/P. These procurement programs that have not been set up as projects (and this is the majority) have simply been carried out on the basis of the approval given in the operational program - and the language of this document has been sufficiently broad to include almost any activity.

DD/P, FI and CA Projects

Traditionally, the DD/P has had a \$35,000 approval authority in CA projects, and a \$100,000 approval authority in FI projects. CA projects are discussed in some detail in the annual operational program, but FI projects are given only one sentence descriptions. The DD/P is prepared to argue that his "new project" authority should be \$100,000 in the case of all projects, CA or FI.

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DPD

Here the DD/P's authority to approve new business has been \$100,000. An annual operational program has been prepared for the last three years; the latest (FY 1962) of these documents contains the statement that no further recourse need be made to the DCI to carry out any of the programs discussed in the operational program. This has, in effect, been a very substantial grant of authority, since the annual operational program has not been long on detail.

OSI

OSI has been following the practice of developing and getting approved an external research program consisting of four categories. The total funds for these four categories is normally on the order of \$2,000,000. Within each category a number of different projects may be initiated. These have been approved by the DD/I regardless of the specific amount of money so long as the project is consistent with the approved program category. These categories are as follows:

1. Feasibility studies on techniques of scientific data collection and analysis.
2. Surveillance of foreign scientific literature and programs.
3. Evaluated research products in selected foreign scientific fields.
4. Support for preparation of NIS contributions.

Arguments

To the extent that an annual program such as discussed above is a really useful and informative document, there should be no need to present each new project within that program. Additionally, approvals would seem appropriate only where the project constitutes a major deviation from the contemplated program or some activity that had not been covered in the programing. Secondly, to the extent that periodic reporting is well done, there should be no lack of information

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to the DCI and the Comptroller on how money is being spent. Thirdly, even on new projects whether within or without an approved program, \$50,000 is too low a basing point in the R&D business. Fourthly, within reasonable limits the critical point may not be how much money is to be spent but rather for what. It should be the Deputy Director's judgment whether an individual new project requires DCI approval. For example, component parts for a sub-system to a major approved project may cost well in excess of \$50,000 and be nothing more dramatic than simply a new and better type vacuum tube or other similar control device. On the other hand, the highest political significance may accrue to a relatively inexpensive modification to an approved major operation. For example, the installation of fire power capability on the U-2; i. e., bomb rack or guns.

Attitude of Other Deputy Directors

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According to [REDACTED] this a. m. he is urging the DD/I to seek retention of the present programing technique as employed by OSI.

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[REDACTED] advised [REDACTED] that the DD/P would not be favorably disposed toward this program and they anticipated that the DD/R would vigorously protest, and it is their expectation to hang on to the DD/R's coat-tails in this protest.

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[REDACTED]
ODD/R

Distribution:

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Orig & 1 - Addressee
[REDACTED]

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DDR [REDACTED] 7713:bb (7 May 62)